

Casino Task Force Meeting Minutes -- 9/3/02

In attendance: Sen. Kevin Shorey, Sen. Jill Goldthwait, Rep. Donna Loring, Rep. Bruce Bryant, Rep. Janice Labrecque, Richard Balkite, Jim Carson, John Menario, Thomas Phillips, Laura Yustak Smith, Kim Johnson, Judy Guay, William Childs, Vaughn Stinson, Edward Strong, Dana Connors, Craig Poulin.

Sen. Kevin Shorey opened the meeting by stating that this is a fact-finding mission. The goal is not to determine whether the state should have a casino. He urged the Task Force members to refrain from making this a spectacle.

Danielle Fox reviewed the duties of the Task Force.

Richard Balkite inquired whether a spiritual component could be added to the duties of the Task Force. Specifically, Mr. Balkite requested that the Task Force have the opportunity to significantly comment on the spiritual and moral aspects of a casino. Jim Carson suggested that it was beyond the scope of the Task Force. Other Task Force members expressed support for the inclusion of a spiritual component.

The Task Force decided it was appropriate to comment on the spiritual and moral aspects of a casino without formally adding it to the duties of the Task Force.

Ms. Fox went over the groupings of the duties. Duties #4 & #7 will be addresses in the first meeting; duty #6 will be addressed in the second meeting; duties number 1 & 5 will be addressed in the third meeting; and duties #2 & #3 will be addressed in the fourth meeting. There will also be a public hearing in Augusta.

Ms. Fox reviewed a list of agencies that provide alcohol and drug abuse treatment services. Kim Johnson noted that there was a longer list than this. She mentioned that there are many providers in private practice that should be included. She will provide this list to OPLA staff. Ms. Johnson also commented that a telephone survey for 200 providers would be difficult to administer.

Thomas Phillips suggested that there are training programs for dealing with gambling problems that are designed for alcohol and substance abuse providers. He said that very few providers in Maine have received this type of training and he was exploring how to make training programs available to more Maine providers. Mr. Phillips also noted that very few providers are currently able to handle clients with gambling problems.

Mr. Balkite requested that the survey be expanded to include other groups such as churches and other social service agencies. Ms. Fox noted that it would be a different survey if these other agencies were included. John Menario questioned whether surveying these organizations was part of the assignment. Sen. Shorey suggested that this was part of duty #4. He also expressed an interest in

surveying other states that have casinos to find out about their need for increased services after the introduction of gambling.

Mr. Poulin said that he anticipated a trip to Connecticut to survey law enforcement agencies to find out more about their situation due to the casino.

Sen. Goldthwait said that her understanding of casinos is that the advantages and disadvantages change depending on the location. She thinks we should categorize the research on casinos according to urban vs. rural locations.

Kim Johnson mentioned that there is a body of research available and that we should start there. She suggested that question #7 and #8 are not appropriate for this survey because they ask for opinions. She thinks we should look at the research on gambling problems and addiction rather than seek opinions.

The issue of licensing and regulation was introduced. As a part of duty #6, the Task Force needs to estimate the need for increased capacity in its regulatory structure. It was noted that the State Police is typically responsible for regulating gambling. It is difficult to estimate the need for changes in capacity if there is no proposal.

Judy Guay said that there is likely to be a ripple effect from the casino and that the cost of addressing this ripple effect needs to be looked at.

Mr. Balkite said that the Maine Council of Churches and representatives from other denominations should be included in a survey. He will send a list of suggested organizations to survey and Ms. Fox will send a complete list to the Task Force members.

Mr. Carson suggested that a casino will not create a gambling problem. He believes that the focus should be on gamblers anonymous, that this is a service that is effective. He would like to know what the state's capacity is to treat problem gamblers and address how we can add to the capacity.

Sen. Goldthwait said that she believes it's dangerous to make assumptions about the impact of a casino. A survey of other states' experiences is needed to find out what other state's experiences have been.

OPLA staff will look at the research from other states that have casinos to get more information about the impact on services. The National Association of Attorney Generals was mentioned as a resource.

The Task Force categorized the social services impacts/needs into three areas: treatment, the ripple effect on gambling problems, and licensing and regulation.

Rep. Bryant inquired about what research was available. He thought it would be valuable to look at the current body of research.

Ms. Fox suggested that a simplified survey to evaluate capacity might be a good approach. Discussing methods and treatment protocol may be not useful for the purposes of the Task Force.

Mr. Balkite suggested that the Task Force include research that has been peer reviewed. It should also be clear who is sponsoring or conducting the research. Mr. Phillips mentioned research resources that may be useful for the Task Force. Sen. Shorey inquired about getting more information on what research is out there.

The Task Force continued to review the survey questions. The Task Force decided to keep question 1. Question #2 was changed to say "What are the services you provide?" Question #3 was changed to include an additional question about the length of treatment. The Task Force was also interested in getting information about the cost of treatment. An additional part to question #5 was added – "what is the approximate average cost of treatment?". Mr. Philips noted that there are no in-patient treatment programs in Maine. A typical in-patient program is 28 days and is very expensive.

A question was raised about the willingness of substance abuse counselors to take on clients with gambling problems.

In light of adding a question about the length of treatment, Ms. Johnson noted that the research addresses this question. Mr. Philips added that there is a high rate of relapse in problem gamblers.

Sen. Goldthwait suggested that a pilot survey should be sent out first to make sure that we get the answers we want. Ms. Fox noted that we could use the current list of agencies to pilot it. This could be e-mailed out this week and returned within 5 days.

The Task Force agreed to keep #6 the same as proposed.

In looking at whether a casino will increase gambling problems, it was again suggested that the existing research should be the Task Force's primary resource. William Childs thought we should focus on recent research. Mr. Balkite suggested we should be looking at all the social costs. He noted that according to a University California study, the real social costs don't show up until year three.

Mr. Poulin brought up the impact of a casino on the regulatory structure and on law enforcement agencies. He noted that Connecticut is similar and could be used as a model for developing a regulatory structure. He thought this issue

could be addressed in duty #4. He also thought that they could obtain crime statistics that could help with question #4.

Edward Strong said that all problems are blamed on a new casino. He noted that the level of crime is dependent on location and typically the biggest increase in crime comes from drunk driving among local residents. He believes that the State Police do a good job of regulating gambling and that the local police are also involved. Mr. Strong suggested that its difficult because they don't know what is being proposed and where it will be located. Las Vegas has problems because people go there to live. He doesn't think this will be the case in Maine.

Mr. Strong also suggested that we should look to other states to figure out the cost to regulate gambling. Connecticut is regulated by the legislature. This is similar to a Maine proposal from 1994.

Sen. Shorey requested that Ms. Fox and the 2 police chiefs work together to come up with cost estimates for a regulatory model.

Sen. Goldthwait mentioned that she was interested in adding something about financial and credit to duty #4, as well as other social impacts. She also wondered about the impact on tourism and how we can quantify it. She also inquired about what gambling will do for the image of tourism in Maine. Vaughn Stinson responded that in Mississippi, the impact on tourism wasn't negative or positive. He speculated that gambling would not necessarily bring in new tourists, but would be another activity for people while they visit.

OPLA staff will use the table of contents from the National Gambling Commission Study to get guidance on other types of social research available. Staff will bring forward research and summarize it. They will focus on the most recent research and seek out neutral studies, for example studies sponsored by National Council of State and Local Governments. Task Force members are invited to forward research sources to OPLA staff. It will then be up to the Task Force to determine what information is relevant and credible for the report.

Dana Connors questioned how the Task Force can do justice to the study if we don't have a scope, size or location of a casino.

Sen. Shorey acknowledged that there are plans, and knowing what they are would help with data/research selection. Sen. Goldthwait noted that we have a past proposal that we could possibly use. Ms. Johnson suggested that we come up with a variety of scenarios and tailor the research to a proposal.

Sen. Shorey requested that the Task Force be provided with this information by the third meeting. He stated that at the next meeting, the Task Force is to address duty #6 and asked for ideas on presenters.

Sen. Goldthwait suggested representatives from the MMA, and the banking and credit industry.

The Maine Chamber of Commerce was asked to make a presentation on impacts on business activity.

John Menario suggested that we ask someone from Connecticut who is the equivalent of the Education Commissioner and the HHS Commissioner. The Attorney General's Office was also mentioned.

Ms. Guay said she was interested in finding out more about the impact on the need for additional housing, and would like to find out about other states' experience. She wondered about the differences between rural settings and urban settings.

Mr. Carson suggested that the Task Force stay stick to what is being proposed and noted that the communities being proposed are similar. Mr. Strong pointed out that the differences between Biddeford and Sanford – two of the proposed communities -- are significant.

Rep. Loring said that the Task Force should address rural locations also and that the Task Force won't put a Casino where it's not wanted. She requested that Tom Tureen speak on the issue of location and a proposal.

Sen Goldthwait asked how the Task Force should be approaching the issue. She suggested that they should be looking at casinos generically, and not at a specific proposal.

Mr. Strong wondered about the legality of gambling, and who would be allowed to operate a casino. Sen. Shorey pointed out that the Task Force is not making recommendations on that issue. Mr. Strong stated that it's difficult to decide without specific information.

Sen. Goldthwait suggested using the proposals from the past and developing a new one. The Task Force should use these two models to create generic models. She suggested using data from the current tribal proposal.

Tom Tureen was recognized by the chairs and the Task Force to speak on the specifics of the proposal. He suggested that we look at the opportunity for a casino. He stated that there are 400 casinos in the US, and only two in New England. The size of the Casino would be a function of demographics. A viable casino would employ 4,000 people, and cost \$500,000. It would be connected to the Turnpike. 80% of the visitors would be from out-of-state. He mentioned that he is willing to share the methodology of they arrived at these figures. He also noted that each location would have a different numbers. The proposal

mentioned is a generic proposal. How large and where it should be located are market driven.

He further clarified that in Southern Maine, it would be a casino with 4,000 jobs, 4,000 slots and it would generate \$100 million in revenue for the state. Mr. Balkite said that the Task Force would need more detail to evaluate the proposal. Sen. Shorey noted that the Task Force is not tasked with evaluating the proposal, that it will be used as a baseline. It was agreed the Mr. Tureen would share the methodology with the Task Force members. They will also use the nine year old casino proposal from Calais as the baseline for a rural casino.

He also stated that the tribes are looking at the Connecticut casinos; they currently employ 23,000 people. A Maine casino would be about one-sixth the size of that.

It was requested that we add a rep from the Restaurant and Innkeepers Association.

Sen Goldthwait suggested that we find someone who can evaluate proposals and identify questions – an independent and informed evaluator.

Rep. Loring mentioned Charlie Colgan as a possible evaluator. Ms. Fox mentioned someone from the University of Maine who has done research on casinos.

The Task Force reviewed the list of possible presenters. They included:

1. Rep. From banking and insurance industry -- credit issues/white collar crime
2. MMA
3. Maine Chamber of Commerce
4. Connecticut: AG's office, HHS commissioner, DOE Commissioner, Housing rep.
5. Maine Housing Advocate – Ms. Guay to find.
6. Bureau of Alcohol and Beverage
7. Harness Racing rep. (Mr. Childs to get back to Danielle about a rep.)
8. ME council of churches
9. ME council on gambling (Mr. Philips will find rep from gamblers anonymous)

Mr. Strong asked a question about how the Indian Gaming Regulatory Act relates to this issue. Ms. Fox noted that there is a memo that addresses the legal issues related to locating a casino in Maine in their folder.

Ms. Fox was asked to determine how much revenue is generated in the state by other forms of gambling.

The next meeting was set for Monday, September 30 @ 10:00. Sen. Shorey requested that the meeting be held in the Business and Economic Development room because it is larger. He expected the meeting to run all day.